

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**

**(A NOT FOR PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Lower Mississippi Port-Wide Strategic Security Council  
Baton Rouge, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Lower Mississippi River Port-Wide Strategic Security Council (the Council) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lower Mississippi River Port-Wide Strategic Security Council as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 5 to the financial statements, the Council is being audited by federal grant auditors. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, on our consideration of the Lower Mississippi River Port-Wide Strategic Security Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lower Mississippi River Port-Wide Strategic Security Council's internal control over financial reporting and compliance.

*Postlethwaite & McManis*

Gonzales, Louisiana  
December 11, 2014

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014**

**ASSETS**

Cash and cash equivalents	\$ 2,227,946
Match receivable	<u>84,510</u>
Total current assets	<u><u>\$ 2,312,456</u></u>

**LIABILITIES AND NET ASSETS (DEFICIT)**

**CURRENT LIABILITIES**

Accounts payable	\$ 118,235
Deferred revenues, net	26,628
State match funds	<u>2,168,426</u>
Total current liabilities	2,313,289

**NET ASSETS (DEFICIT)**

	<u>(833)</u>
Total liabilities and net assets (deficit)	<u><u>\$ 2,312,456</u></u>

The accompanying notes are an integral part of this statement.

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**SUPPORT**

Grants - projects	\$ 13,728,588
Grant - Management & Administrative	218,428
State match revenue	1,390,966
Misc Income	368
Total support	<u>15,338,350</u>

**EXPENSES**

Project costs:	
Round 2008	4,391,605
Round 2009	3,049,349
Round 2010	3,332,573
Round 2011	3,434,754
Round 2012	255,585
Round 2013	674,615
Total Project costs	<u>15,138,481</u>

Management and administrative:

Consultants for administration	252,845
Travel	6,045
Supplies	3,884
Other	3,148
Total Management and administrative	<u>265,922</u>

Total expenses	<u>15,404,403</u>
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Change in net assets	(66,053)
Net assets at beginning of year	60,220
Contributions	5,000
Net assets (deficit) at end of year	<u>\$ (833)</u>

The accompanying notes are an integral part of this statement.

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**(A NOT FOR PROFIT ORGANIZATION)**  
**BATON ROUGE, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (66,053)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Decrease in match receivable	81,095
Decrease in due from related party	1,169,268
Decrease in accounts payable	(2,002,812)
Decrease in deferred revenue	(2,773,779)
Decrease in accrued expense	(365,719)
Net cash used in operating activities	<u>(3,958,000)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from equity contributions	<u>5,000</u>
Net cash provided by financing activities	<u>5,000</u>

Net decrease in cash and cash equivalents	(3,953,000)
Cash and cash equivalents at beginning of year	<u>6,180,946</u>
Cash and cash equivalents at end of year	<u>\$ 2,227,946</u>

The accompanying notes are an integral part of this statement.

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Lower Mississippi River Port-Wide Strategic Security Council (the Council), is a consortium of the five contiguous deep water ports located on the Lower Mississippi River. The Council includes the Port of Greater Baton Rouge, Port of South Louisiana, Port of New Orleans, St. Bernard Port, Harbor and Terminal District, and Plaquemine Port, Harbor and Terminal District.

The Council was formed in 2007 to compete for grant funding as a region from the Department of Homeland Security for security enhancements at the individual ports through the Port Security Grant Program. The Council's role is to provide regional coordination to attract and administer grant funding for the benefit of the consortium. In general, to qualify for the Federal grants, a match of 25% of the grant amount is required; the Council has sought State funds for the match requirement, if applicable.

**Basis of Accounting**

The Council prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

Financial statements presentation follows the guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under ASC, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

1. ***Unrestricted Net Assets*** are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
2. ***Temporarily Restricted Net Assets*** are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
3. ***Permanently Restricted Net Assets*** are net assets subject to donor-imposed stipulations that they be maintained permanently by the Council. Generally, the donors of these assets permit the Council to use all or part of the income earned on any related investments for general or specific purposes. There are no permanently restricted assets recorded in these financial statements.



**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation (continued)**

Activity related to Federal funds are received on a “flow through” basis meaning that essentially all expenses are reimbursed by grant funds received. Certain expenses are not allowable under the terms of the grant; the Council has made contributions to fund such expenses.

The Council receives grants that are restricted for specific purposes by the grantors. Grant funds that are restricted by the grantor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. As a result, all restrictions expire in the fiscal year in which the contributions are recognized and the Council maintains a zero balance in temporarily restricted net assets.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Council considers all cash and highly liquid short-term investments with an original maturity of three months or less as cash and cash equivalents.

**Accounts Receivable**

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. The Council’s receivables consist solely of grants receivable. As a result, management believes that all receivables are collectible as of year-end; therefore no allowance for doubtful accounts was recorded.

**Grant revenue recognition and deferred revenue**

Grants that represent exchange transactions are recorded as revenue when expenses are incurred since such arrangements are on a cost-reimbursement basis.

The Council has grant agreements that apply to programs whose duration extends over several years. Revenue is recognized on these contracts as expenses are incurred, and in accordance with the terms of the agreement. These agreements are considered exchange transactions for accounting purposes.

Deferred revenue is related to funding received during the year for expenses that have not be incurred.

**Concentration of Credit Risk**

At various times during the year, cash on deposit with one banking institution may exceed the maximum insured amount allowed by the Federal Deposit Insurance Corporation. Management believes the risk is limited.

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Council accounts for income taxes in accordance with income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Council is organized as a non-profit organization. The Council is exempt from income taxes under Internal Revenue Code Section 501(c) (4).

The Council follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly, has not recognized a liability for any unrecognized tax benefits. The Council's open audit periods are 2008-2013.

**Functional Allocation of Expenses**

The costs of projects and management and administration activities have been summarized on a functional basis in the Statement of Activities. Management and administration expenses include those expenses that are not directly identifiable with any other specific project but provide for the overall support of each grant. Management and administration expenses consist primarily of administrative personnel and consultant/contractor expenses. Project costs are those incurred by subgrantees to strengthen port security.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. ECONOMIC DEPENDENCY**

The Council derives its revenues from governmental sources as grants, the loss of which would have a material adverse effect on the Council. For 2014, revenue derived from governmental sources accounted for all support received by the Council.

**3. COMMITMENT AND CONTINGENCIES**

The Council receives Federal and State grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**4. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 11, 2014, and has determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**5. GRANT AUDIT**

The Council has received federal Port Security Grant Funds from the United States Department of Homeland Security from its inception (2007) through the current year end. Federal auditors are in the process of auditing compliance with federal regulations of the grant funds from inception to current year end. The ultimate outcome of this audit is not known at this time.

**SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Lower Mississippi River Port-Wide Strategic Security Council  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Lower Mississippi River Port-Wide Strategic Security Council (the Council) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2014, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lower Mississippi River Port-Wide Strategic Security Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lower Mississippi River Port-Wide Strategic Security Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Porthier & Nettville*

Gonzales, Louisiana  
December 11, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
Lower Mississippi River Port-Wide Strategic Security Council  
Baton Rouge, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the Lower Mississippi River Port-Wide Strategic Security Council's (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Lower Mississippi River Port-Wide Strategic Security Council's major federal programs for the year ended June 30, 2014. The Lower Mississippi River Port-Wide Strategic Security Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Lower Mississippi River Port-Wide Strategic Security Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lower Mississippi River Port-Wide Strategic Security Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Lower Mississippi River Port-Wide Strategic Security Council's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Lower Mississippi River Port-Wide Strategic Security Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of the Lower Mississippi River Port-Wide Strategic Security Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Lower Mississippi River Port-Wide Strategic Security Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lower Mississippi River Port-Wide Strategic Security Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Posttithwaite & Methurill*

Gonzales, Louisiana  
December 11, 2014



**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**

**(A NOT FOR PROFIT ORGANIZATION)**

**BATON ROUGE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures 2014
<u>U.S. Department of Homeland Security</u>			
Port Security Grant	97.056	n/a	\$ 13,947,016
Total U.S. Department of Homeland Security			<u>13,947,016</u>
Total Federal Assistance Expended			<u>\$ 13,947,016</u>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Lower Mississippi River Port-Wide Strategic Security Council is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B - SUB-RECIPIENTS**

The following federal awards were expended to the following sub-recipients:

Plaquemines Port, Habor, & Terminal District	\$ 3,186,535
Port of Greater Baton Rouge	602,872
Port of New Orleans	2,640,283
Port of South Louisiana	1,839,824
St. Benard Port, Harbor, & Terminal District	692,921
Axiall	66,365
Carline Tank Services	111,190
City of New Orleans Fire Department	2,409,778
East Baton Rouge Parish Sheriff's Office	170,340
Gretna Police Department	36,506
Jefferson Parish Sheriff's Office	219,755
NuStar Energy LP	139,445
Plaquemines Parish Sheriff's Office	277,484
St. Benard Parish Sheriff's Office	375,000
St. Charles Parish	838,063
St. Charles Parish Sheriff's Office	118,177
Vanguard Technologies	4,050
	<u>13,728,588</u>
Federal Management & Administrative	<u>218,428</u>
	<u>\$ 13,947,016</u>

**NOTE C - RECONCILIATION TO FINANCIAL STATEMENTS**

Total expenses per Statement of Activities	\$ 15,404,403
Less: State Match project cost expenses	(1,409,893)
Less: Local Match Management & Administrative expenses	(47,494)
Total Federal assistance expended as reported on Schedule of Expenditures of Federal Awards	<u>\$ 13,947,016</u>

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
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97.056	Port Security Grant
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Dollar threshold used to distinguish between type A and type B programs:                      \$ 418,410

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes      X   no

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – NONCOMPLIANCE FINDINGS**

None

**SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**LOWER MISSISSIPPI RIVER PORT-WIDE STRATEGIC SECURITY COUNCIL**  
**BATON ROUGE, LOUISIANA**

**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – NONCOMPLIANCE FINDINGS**

None

**SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None